

PHILIP MORRIS U.S.A.

INTER-OFFICE CORRESPONDENCE

120 PARK AVENUE, NEW YORK, N.Y. 10017

TO: Mr. B. Quinby
FROM: Barbara S.G. Weinstein
SUBJECT: Annual Report Statement: PM New Brand Volume

DATE: December 31, 1986

Based on the first full year of national distribution of P.M.'s new brands, the following statement is true:

"In 1986, Philip Morris new brand volume (8.4 billion) was the highest since 1983."

The data below supports this statement. The first full calendar year following introduction was used for any brand that was in distribution for six months or less during its introductory year.

However, based on the actual year of introduction of new brands, 1986's new brand volume was the fifth highest in the last 11 years.

New Brand	Intro. Date	Annual New Brand Volume Based On:			
		First Full Year		Year of Introduction	
		Year	Volume (000)	Year	Volume (000)
Merit 85's	1/76	1976	8,547	1976	8,547
Merit 100's	1/77	1977	4,478	1977	5,828
B&H 100's Lights	9/77	1978	7,087		
Marlboro Lts. 100's SP	1/78	1978	3,084		
			10,171	1978	3,084
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Virginia Slims Lts.	10/79	1980	6,094		
Cambridge	5/80	1980 (8mos.)	1,584		
			7,678	1980	2,655
Marlboro Lights Box	9/80	1981	4,410		
Merit Ultra Lts. 85's	1/81	1981	3,275		
			7,685	1981	3,924
Merit Ultra Lts. 100's	10/81	1982	2,254	1982	3,169
B&H 100's Ultra Lts.	7/82	1983	6,477		
Players Black 85's	4/83	1983	2,368		
Players Black 100's	6/83	1983	1,175		
			10,020	1983	3,817
Marlboro Lts. 100's Box	12/83	1984	2,456	1984	866
Merit 85 Box	12/84	1985	1,565		
Marlboro Red 25's	12/84	1985	2,453		
Marlboro Lts. 25's	12/84	1985	1,303		
			5,321	1985	2,183
Va. Slims Lts. 120	9/85	1986	2,751		
Players Lts. 25	11/85	1986	2,414		
Cambridge Lts.	4/86	1986	3,242		
			8,407	1986	3,242

BSGW:hg

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